



**COUNCILMEMBER DONNA FRYE**

City of San Diego  
Sixth District

*MEMORANDUM*

**DATE:** November 15, 2007

**TO:** David Wescoe, SDCERS Retirement Administrator  
SDCERS Board of Trustees

**FROM:** Councilmember Donna Frye *Donna Frye*

**SUBJECT:** Inadequate Responses

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On July 19, 2007, my staff sent an e-mail to you asking for the number of City employees currently receiving benefits that exceed the IRC section 415 (b) limits.

You responded by stating that *"...we won't know the number whose benefits exceed the 415 (b) limits until the IRS approves SDCERS' testing methodology."*

On September 10, 2007, I sent you a memo asking much the same question regarding Preservation of Benefits (POB) and you responded on September 18, 2007, that, *"As for City retirees, my July 18 and July 24 letters to Kevin Smith accurately indicated that SDCERS did not know which retirees were in excess of 415 limits because the IRS had not given its necessary guidance on this matter."*

However, a February 7, 2007, staff report from Bob Wilson, SDCERS Chief Financial Officer, stated that as of that date, *"...a total of 18 retirees from the City of San Diego are projected to receive excess benefits totaling \$439,962 payable through December 31, 2007", and "Staff believes it is prudent to request the City of San Diego to plan for funding an additional \$200,000, for a total of \$639,962 in POB funding in its fiscal year 2008 budget for members who may retire during 2007."*

In the course of my correspondence with you, this staff report, written six months earlier, was never mentioned even though SDCERS' staff claims to have *"...met with the chief fiscal staff...to inform them on the POB plans and funding arrangements for their fiscal year 2008 budget planning."*

In addition, it appears that SDCERS has provided to the IRS a list of 102 employees who may retroactively exceed IRC section 415.

It is most unfortunate that this information was not provided to me. It begs the question as to how many other of your responses to me, other members of the City Council and the public have been less than forthcoming.

Please make available any other information that you have not provided in response to all of my earlier requests.

Finally, let me be clear that for all future requests it is my expectation that the SDCERS administration will be forthcoming with all pertinent information.

CC: Honorable City Council  
Honorable Mayor Sanders  
City Attorney, Michael Aguirre  
Independent Budget Analyst, Andrea Tevlin  
Stanley Keller, Independent Monitor

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